



Nineveh – Hensley – Jackson United School Corporation (NHJUSC)

Charter Authorizer Compliance Report 2019 – 2020 for the
Indiana Agriculture and Technology School

Prepared November 2020

Submitted December 30, 2020

Published and Available for Review on www.indiancreekschools.com

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PURPOSE:

The purpose of this Authorizer Compliance Report is to provide a snapshot of the benchmarks pursuant to [IC 20-24-9-1](#) and the required contents as set forth [by IC 20-24-9-2](#). Those items are included for the public's reference below:

IC 20-24-9-1 Annual report to department

Sec. 1. (a) An authorizer that has established a charter school shall submit an annual report to the department and the state board for informational and research purposes. The authorizer shall make the annual report available on the authorizer's Internet web site.

(b) The department and state board shall make all annual reports submitted under subsection (a) available on the department's and state board's Internet web sites.

[Pre-2005 Elementary and Secondary Education Recodification Citation: 20-5.5-9-1.]

As added by P.L.1-2005, SEC.8. Amended by P.L.91-2011, SEC.21; P.L.33-2014, SEC.2; P.L.5-2015, SEC.45.

IC 20-24-9-2 Annual report; contents

Sec. 2. An annual report under this chapter must contain the following information:

- (1) Results of statewide assessment program measures.
- (2) Student growth and improvement data for each authorized school.
- (3) Attendance rates for each authorized school. In the case of a virtual charter school, the virtual charter school must include the methodology used to determine attendance rate with the attendance rate.
- (4) Graduation rates (if appropriate), including attainment of Indiana diplomas with a Core 40 designation and Indiana diplomas with Core 40 with academic honors designations for each authorized school.
- (5) Student enrollment data for each authorized school, including the following:
 - (A) The number of students enrolled.
 - (B) The number of students expelled.
- (6) Status of the authorizer's charter schools, identifying each of the authorizer's charter schools that are in the following categories:
 - (A) Approved but not yet open.
 - (B) Open and operating.
 - (C) Closed or having a charter that was not renewed, including:
 - (i) the year closed or not renewed; and
 - (ii) the reason for the closure or nonrenewal.
- (7) Names of the authorizer's board members or ultimate decision making body.
- (8) Evidence that the authorizer is in compliance with [IC 20-24-2.2-1.5](#).
- (9) A report summarizing the total amount of administrative fees collected by the authorizer and how the fees were expended, if applicable.
- (10) Total amount of other fees or funds not included in the report under subdivision (9) received by the authorizer from a charter school and how the fees or funds were expended.
- (11) The most recent audits for each authorized school submitted to the authorizer under [IC 5-11-1-9](#).
- (12) For a virtual charter school, the student engagement requirements or policies.

The information provided within this report is specific to the Indiana Agriculture and Technology School. No other charters were authorized by NHJUSC during the 2019 – 2020 academic calendar.

INTRODUCTION:

Charter Schools are independent, state funded, public schools that are open to all students. Students do not pay tuition to attend these schools. The purpose of charter schools as defined by [IC 20-24-2-1](#) is the following:

- (1) Serve the different learning styles and needs of public school students.
- (2) Offer public school students appropriate and innovative choices.
- (3) Provide varied opportunities for professional educators.
- (4) Allow public schools freedom and flexibility in exchange for exceptional levels of accountability.
- (5) Provide parents, students, community members, and local entities with an expanded opportunity for involvement in the public school system.

In Indiana, charter schools may be authorized by a limited number of entities, such as governing boards of a nonprofit college or university that provides a four (4) year educational program for which it awards a baccalaureate or more advanced degree, including all of the listed entities in [IC 20-24-1-2.5\(5\)](#). School Corporations under [IC 20-24-2.2-1.2\(b\)](#) provides that a governing body of a school corporation can register with the state board for charter authority within the attendance area of the corporation as well.

Overview of the Indiana Agriculture and Technology School:

The Indiana Agriculture and Technology School, having completed its second year with student enrollment, is a public charter school using cutting-edge, applied learning technologies blended with live, hands-on experiences in agricultural sciences and technology. The school provides students in grades 7 thru 12 with layers of accountability to ensure they stay on a path to success. Some of the highlights of the learning environment include:

- Student Learning Advocates monitor student activity, progress and work with the student and their family.
- Each course has a lead teacher who provides content review, assessments and timely feedback.
- Concept and Success Coaches tutor, assist and mentor students in the learning environment.
- CTE Certified Agriculture Teacher(s) lead students throughout the hands-on, practical learning opportunities.
- Dual Credit opportunities are provided through Ivy Tech in a variety of courses for students to earn college-ready credit.

www.indiana.ag

Component Review 1:

Results of Statewide Tests and End of Course Assessments

Standardized Tests and End of Course Assessment Data

ILEARN Performance Data	English/Language Arts	Mathematics
Grade 7	No Data Available Due to Pandemic	No Data Available Due to Pandemic
Grade 8	No Data Available Due to Pandemic	No Data Available Due to Pandemic

ISTEP Performance Data	English/Language Arts	Mathematics
Grade 10 First Time Test Takers	No Data Available Due to Pandemic	No Data Available Due to Pandemic
Grade 11 and 12 Re-test (Fall 2019)	5 Passed (33%) 9 DNP (60%) 1 Undetermined (7%)	17 DNP (100%)

Authorizer's Note/Opinion:

Students were not able to complete the spring assessment due to the pandemic and disruption of the learning environment. Data only reflects the fall retest window, which included 15 students for English and 17 students for Mathematics.

Component Review 2:

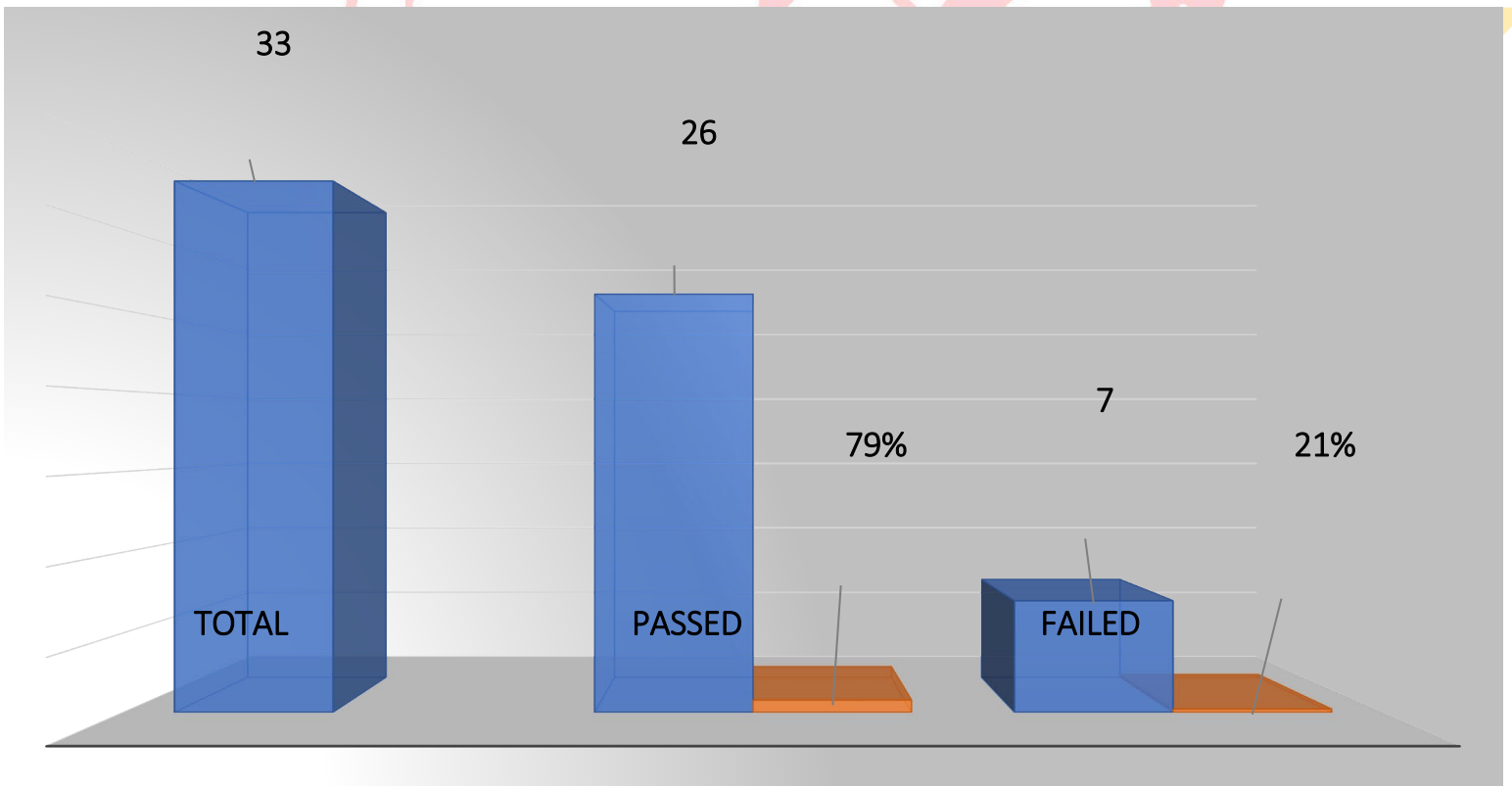
Student Growth and Improvement Data for each Authorized School

Results Driven Accountability (RDA) data used to monitor the proficiency of delivering instructional services and opportunities for growth to students within special education indicated for 2019 – 2020 the school was in compliance.

In addition, the school has shared and reviewed the administration of the ASVAB test model, showing preparation and growth necessary to serve in the armed forces. That data is summarized below for 2019 – 2020.

Lastly, the school has reviewed the Indiana Department of Education’s processes for implementing a formative assessment using the department’s approved list and process. The school will implement NWEA for the 2020 – 2021 school year, beginning with grade 7 – 9 students. The focus will be on English and mathematics only.

SY 2019 IATS ASVAB TEST RESULTS



Component Review 3:

Attendance Rate for each Authorized School

2020 Attendance Rate	State Indicator
	76.93%

Authorizer's Note/Opinion:

This includes 281 students reported having attended the school over the 180 day attendance period.

Documentation is included in Appendix A: Attendance Summary Sign-off Sheet

Component Review 4:

Graduation Rates for each Authorized School

2020 Graduation Rate	State Indicator	Federal Indicator
	53.66%	53.66%

Core 40 and Academic Honors Diploma Awarded

2020 Core 40 Diplomas	2020 Academic Honors Diplomas
18	0

Authorizer's Note/Opinion:

There were 22 graduates. 18 earned Core 40 designation, 4 earned General Diploma designation. The 2020 cohort accounted for 44 students. 13 students in the cohort have returned for the 2020 – 2021 school year to continue working on their credits required for a diploma.

Component Review 5:

Student Enrollment Data for each Authorized School

Grade Level (ADM Count Day Data)	Enrollment ME 1 Count Day September 13, 2019	Enrollment ME 2 Count Day February 3, 2020
7	24	27
8	26	29
9	39	41
10	33	33
11	34	40
12	36	43
TOTAL	192	213

Authorizer's Note/Opinion:

The ADM Sign-off sheets are included as documentation. They are located in the Appendix as Exhibit 'B' for review.

Component Review 5, Continued:

Student Enrollment Data and Additional Data for each Authorized School

Number of Students Expelled	Student Count
	0
Number of Incidents Involving an SRO	Student Count
	0

Number of Students Restrained or Secluded	Student Count
	0

Component Review 6:

Status of Authorizer's Charter Schools

- ▶ Approved, but not yet open = 0
- ▶ Open and Operating = 1
 - ▶ Indiana Agriculture and Technology School
- ▶ Closed or having a charter that was not renewed = 0

Component Review 7:

Authorizer's Board Members and Decision Making Body

- Dr. Tim Edsell, Superintendent of Schools
- Mrs. Judy Misiniec, Board President
- Mr. Ed Harvey, Vice-President
- Ms. Greg Waltz, Secretary
- Mr. Thomas Burgett, Member
- Mr. Ben Swopes, Member
- Mr. Andy Cline, Compliance Monitor

Indiana Agriculture and Technology School Board (Reference Information)

- Mr. Allan Sutherlin, President
- Mr. Brad Barkley, Vice-President
- Mr. Steve Riddle, Treasurer
- Mr. Peter Beering, Secretary
- Mr. Andy Sighting, Local Appointed Member
- Mr. Keith Marsh, Chief Academic Officer/Principal

Component Review 8:

Authorizer's Acknowledgement of Authorizing Practices

Nineveh – Hensley Jackson United School Corporation acknowledges the following organizations for their contribution in improving authorizing practices.

- ▶ National Association of Charter School Authorizers (NACSA)
- ▶ Indiana Department of Education Charter School Office
- ▶ Indiana State Board of Education
- ▶ School Works

The School Corporation will continue to seek out resources and participate in opportunities to review and refine its authorizing practices.

Component Review 9:

Collection of Administrative Fees and their Expenditure

- ▶ \$34,688.20 collected as Authorizer Administrative Fees for 2019 – 2020
 - ▶ All funds collected will be spent on the position of part-time community relations director for the NHJ School Corporation and for any other expenses from being a charter school authorizer.

Authorizer's Note/Opinion:

Appendix 'C' represents the Fund History Report accounting for funds from the Authorizer's accounting software (Komputrol). The second document provided by IATS correlates amounts disbursed versus amounts received. The totals between the two documents are equal to the amount listed above.

Component Review 10:

Collection of 'Other' Funds and their Expenditure

- ▶ No other funds were collected by the Authorizer during the 2019 – 2020 school year.
 - ▶ This occurred only during the 2018 – 2019 school year only in a joint effort to employ a mental health counselor.
 - ▶ No funds were collected for the 2019 -2020 school year for this purpose.

Authorizer's Note/Opinion:

See the 2018 – 2019 Authorizer report for a breakdown of the 'other funds' collected for the shared employment of a mental health counselor during that academic year. The counselor served both NHJ and IATS students.

Component Review 11:

Most Recent Audit of Authorized School Submitted Under [IC 5-11-1-9](#)

Authorizer's Note/Opinion:

Appendix 'D' represents the Complete Audit for the 2019 – 2020 school accounting for funds from the Indiana Agriculture and Technology School.

Appendix 'E' represents the Supplemental Audit for the 2019 – 2020 school accounting for funds from the Indiana Agriculture and Technology School.

Appendix 'F' represents the **State Board of Accounts Audit Review Notice** (2019 – 2020) school accounting for funds from the Indiana Agriculture and Technology School.

Appendix 'G' represents the **State Board of Accounts Supplemental Audit Review Notice** (2019 – 2020) school accounting for funds from the Indiana Agriculture and Technology School.



Appendix A: Attendance Summary Sign-off Sheet

Data Verification > Reports > Attendance Report

Academic Year: 2019 - 2020

School Building: All Schools



Search

Attendance Report - As of 10/28/2020 2:39:34 PM

9505 - Indiana Agriculture and Technology

School	Instructional Days	Number of Students Reported	Aggregate Days Attended	Aggregate Excused Days Absent	Aggregate Unexcused Days Absent	Aggregate Days Enrollment	Attendance Rate
5472 - Indiana Agriculture and Technology	180	281	28746	8621	0	37367	0.7693
Total		281	28746	8621	0	37367	0.7693

The Attendance Report displays aggregate attendance values based on individual students reported on DOE-AT. Attendance records with grades of PK or 13 are not included in the this report.
 Instructional days count above includes approved waiver days.



Appendix B: Membership Summary (Fall and Spring) Sign-off Sheets

ADM Report - As of 10/9/2019 11:57:15 AM

Membership Count Date: 09/13/2019

9505 - Indiana Agriculture and Technology

5472 - Indiana Agriculture and Technology

Grade	Resident Enrollment (exclude dual enrollment students)	Transfers Out	Cash Transfers	State Obligations	Placements In	Dual Enrollment FTE	Total ADM	Dual Enrollment Student Count	Virtual Yes	Virtual No	FDK
07	24	0	0	0	0	0	24	0	0	24	
08	26	0	0	0	0	0	26	0	0	26	
09	39	0	0	0	0	0	39	0	0	39	
10	33	0	0	0	0	0	33	0	0	33	
11	34	0	0	0	0	0	34	0	0	34	
12	36	0	0	0	0	0	36	0	0	36	
Total	192	0	0	0	0	0	192	0	0	192	

Students reported as attending other schools (i.e., ADM Type 2 "Transfers Out" and ADM Type 1 "Resident Enrollment" students attending a cooperative in another corporation) are not included on the School ADM Report, but are included on your Corporation's ADM Report.

Students participating in FDK program count as 1 and students participating in a half-day program count as .5

Full Day KG Summary Report - 10/9/2019 11:57:15 AM

No records found.

Keith A. Marsh

Keith A. Marsh 10/12/2019

Executive Director / Chief Academic Officer

Jan Rutz, Treasurer

**REPORT OF
AVERAGE DAILY
MEMBERSHIP
(ADM) - Revised
School Year 2020
Monday, February
3, 2020 Count**

Upload Process:

Print the Summary Report located under Data Verification>Reports>Membership>MemberShip Summary Report

Scan the Signed Document

Upload the Signed Document under Administration>Upload Signed Summary Report

To Verify the document has been uploaded correctly go back to Collection Management to find in your sign off box the word **SUBMITTED**.

ADM Report - As of 2/28/2020 9:29:18 AM

Membership Count Date: 02/03/2020

9505 - Indiana Agriculture and Technology
0000 - Central Office

Grade	Resident Enrollment (exclude dual enrollment students)	Transfers Out	Cash Transfers	State Obligations	Placements In	Dual Enrollment FTE	Total ADM	Dual Enrollment Student Count	Virtual Yes	Virtual No	FDK
07	27	0	0	0	0	0	27	0	0	27	
08	29	0	0	0	0	0	29	0	0	29	
09	41	0	0	0	0	0	41	0	0	41	
10	33	0	0	0	0	0	33	0	0	33	
11	40	0	0	0	0	0	40	0	0	40	
12	43	0	0	0	0	0	43	0	0	43	
Total	213	0	0	0	0	0	213	0	0	213	

Students reported as attending other schools (i.e., ADM Type 2 "Transfers Out" and ADM Type 1 "Resident Enrollment" students attending a cooperative in another corporation) are not included on the School ADM Report, but are included on your Corporation's ADM Report.

Students participating in FDK program count as 1 and students participating in a half-day program count as .5

Full Day KG Summary Report - 2/28/2020 9:29:15 AM

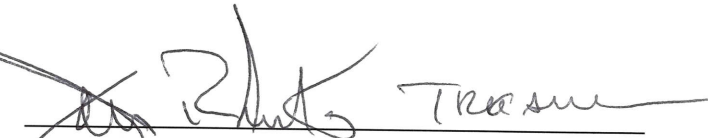
No records found.

The undersigned certify that this report is true and accurate in every respect to the best of their knowledge and belief

2/28/2020

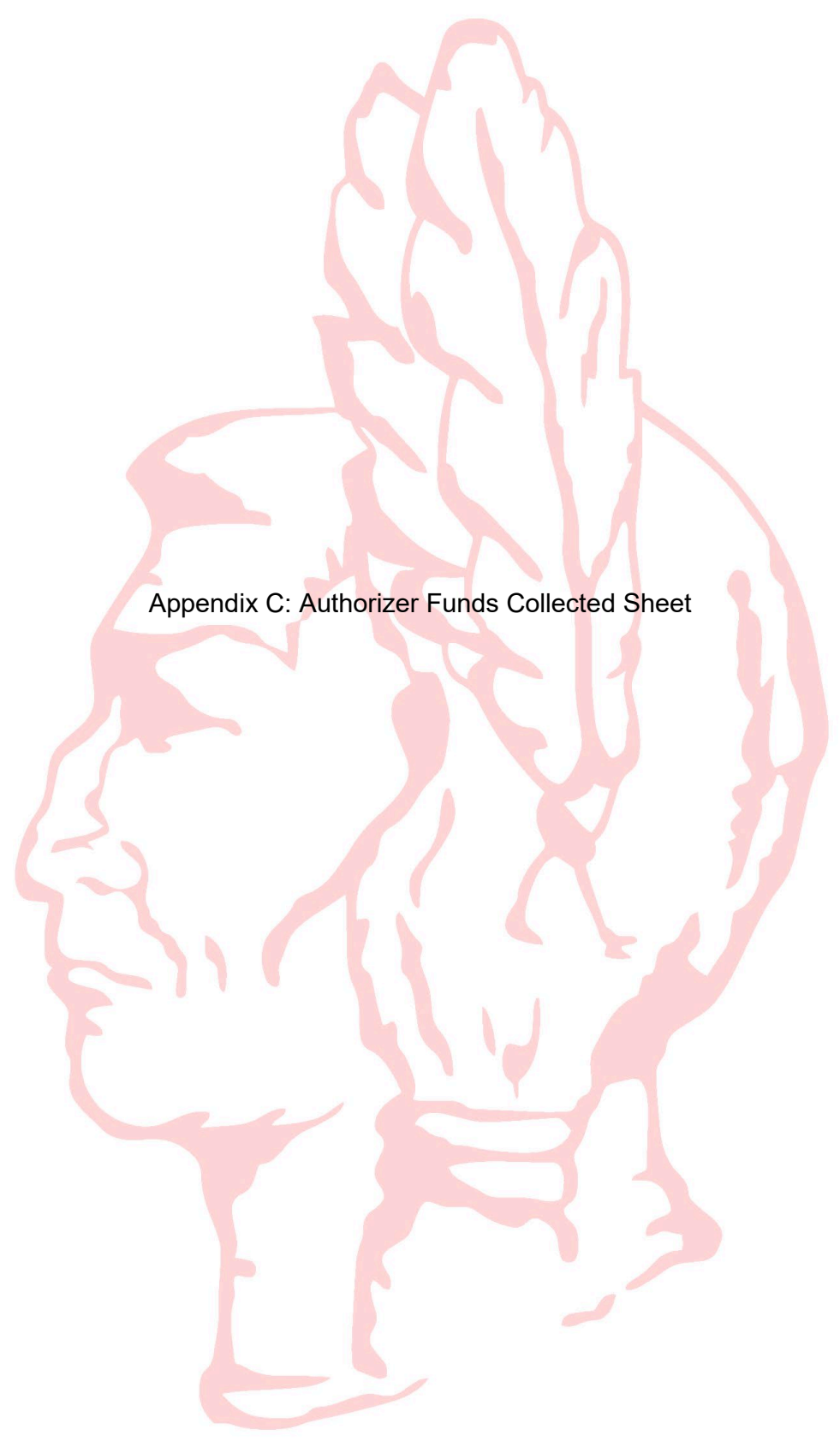


Superintendent/Principal/Director of Schools



Trustee or Corporate Treasurer

Date:



Appendix C: Authorizer Funds Collected Sheet

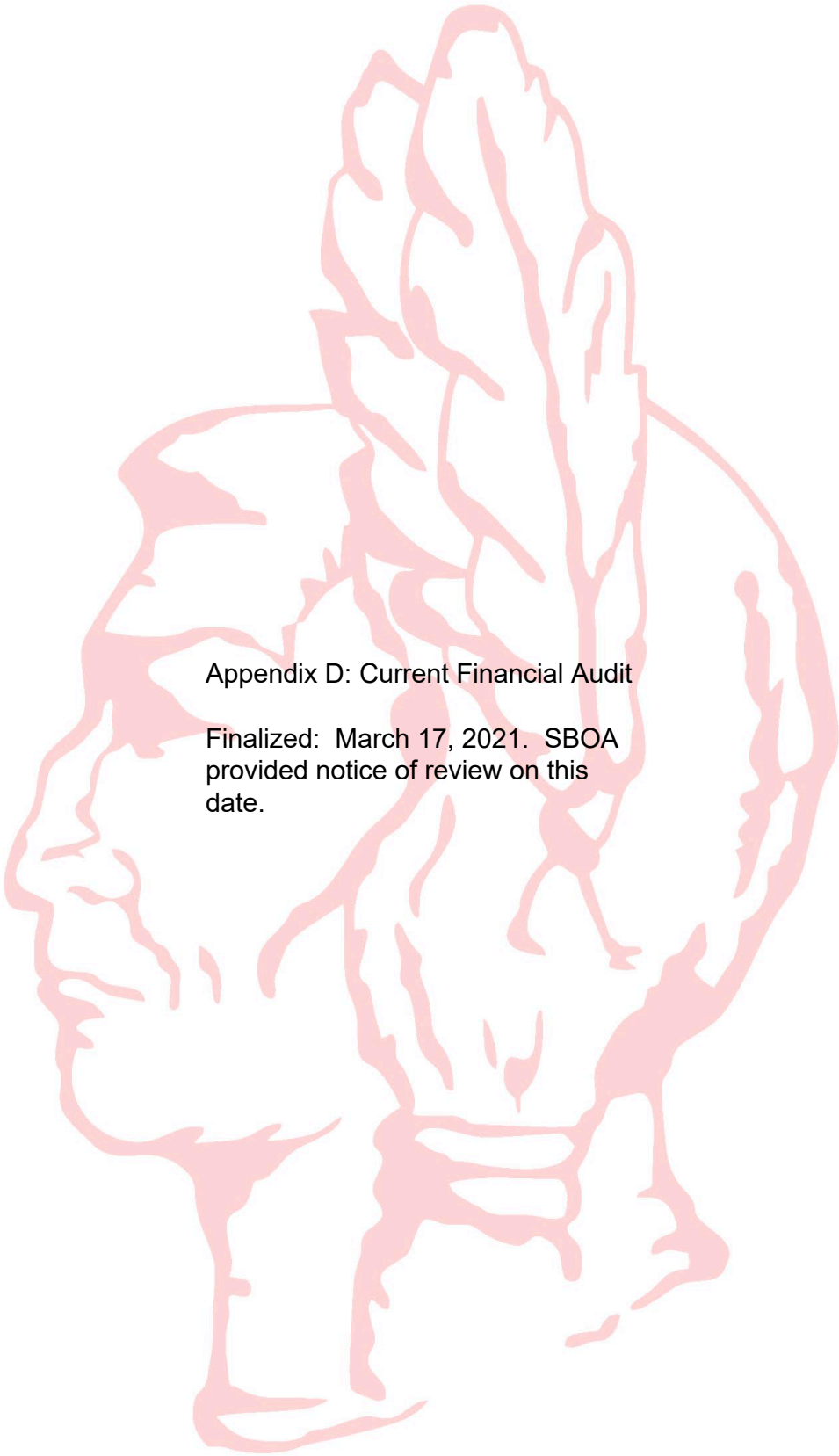
RCPT	DATE	REFERENCE/RECEIVED FROM	FUND	ACCOUNT	TITLE	REVENUE	FUND NAME
						AMOUNT	
15251	7/26/19	INDIANA AGRICULTURE ED	101	6600	MISCELLANEOUS REVENUE	\$2,062.92	EDUCATION FUND
15711	10/25/2019	IN AG ED	101	6600	MISCELLANEOUS REVENUE	\$2,797.71	EDUCATION FUND
15845	11/20/2019	INDIANA AGRICULTURE	2917	1951	IAE AUTHORIZED AGENT	\$2,797.71	AUTHORIZED AGENT IAE
15905	12/4/2019	IN AG ED	101	6600	MISCELLANEOUS REVENUE	\$2,797.71	EDUCATION FUND
16019	12/31/2019	IN AG ED	101	6600	MISCELLANEOUS REVENUE	\$2,797.71	EDUCATION FUND
16198	2/05/20	IN AG	1500	1951	IAE AUTHORIZED AGENT	\$2,797.71	AUTHORIZED AGENT IN AG EDU
16356	3/11/20	IN AG ED INC	101	6600	MISCELLANEOUS REVENUE	\$2,797.71	EDUCATION FUND
16392	3/24/20	IAG AUTHORIZED AGEND	1500	1951	IAE AUTHORIZED AGENT	\$2,797.71	AUTHORIZED AGENT IN AG EDU
15621	10/4/2019	IN AG ED	101	6600	MISCELLANEOUS REVENUE	\$2,812.00	EDUCATION FUND
16438	4/21/20	INDIANA AG	101	6600	MISCELLANEOUS REVENUE	\$3,409.77	EDUCATION FUND
16516	5/27/20	IN AG ED	101	6600	MISCELLANEOUS REVENUE	\$3,409.77	EDUCATION FUND
16576	6/25/20	IN AG EDOVERPAYMENT	101	6600	MISCELLANEOUS REVENUE	\$3,409.77	EDUCATION FUND
						\$34,688.20	

Indiana Agriculture Education Inc.

All Payments Issued for Nineveh-Hensley-Jackson United School Cor

July 2019 through June 2020

Type	Num	Date	Amount
Jul '19 - Jun 20			
Bill Pmt -Check	1531	07/23/2019	2,062.92
Bill Pmt -Check	1616	09/29/2019	2,812.00
Bill Pmt -Check	1642	10/21/2019	2,797.71
Bill Pmt -Check	1674	11/15/2019	2,797.71
Bill Pmt -Check	1689	11/26/2019	2,797.71
Bill Pmt -Check	1724	12/16/2019	2,797.71
Bill Pmt -Check	1767	01/28/2020	2,797.71
Bill Pmt -Check	1835	03/04/2020	2,797.71
Bill Pmt -Check	1851	03/18/2020	2,797.71
Bill Pmt -Check	1884	04/15/2020	3,409.77
Bill Pmt -Check	1940	05/19/2020	3,409.77
Bill Pmt -Check	1989	06/15/2020	3,409.77
			<hr/>
Jul '19 - Jun 20			34,688.20



Appendix D: Current Financial Audit

Finalized: March 17, 2021. SBOA provided notice of review on this date.

INDIANA AGRICULTURE EDUCATION, INC.
d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL
FINANCIAL STATEMENTS
Together with Independent Auditors' Report
For the Years Ended June 30, 2020 and 2019



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Donovan CPAs

Independent Auditors' Report

The Board of Directors
Indiana Agriculture Education, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Indiana Agriculture Education, Inc. d/b/a Indiana Agriculture & Technology School (the "School"), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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Indianapolis | 9292 N. Meridian Street, Suite 150, Indianapolis, IN 46260 | 317.844.8300

Basis for Qualified Opinion

The School's financial statements do not disclose a potential liability due to the State of Indiana and issues with its charter status. On January 25, 2021, a State Board of Accounts Special Investigation Report was issued. The report found that the School owed the State of Indiana \$329,510 for reimbursement of overpayment of various forms of tuition support. The School was deemed to have been overpaid due to operating a virtual charter school rather than a brick and mortar charter school. Virtual charter schools are paid a lower rate for tuition support funding than brick and mortar charter schools. The School's sponsor, Nineveh-Hensley-Jackson United School Corporation ("NHJ"), was given authorizer registration with the Indiana State Board of Education for a brick and mortar charter school and not a virtual charter school. NHJ is subject to a Corrective Action Plan requiring it to make changes to ensure that the School no longer operates as a virtual charter school, with the actions to be taken over the course of the 2021-2022 school year. Failure to meet the requirements of the Corrective Action Plan could result in the loss of authorizer registration and, subsequently, the School's charter. The loss of the charter would raise questions about the School's ability to continue as a going concern, as would repayment of the tuition support amount. The School is in the process of appealing the findings of the State Board of Accounts Special Investigation Report. In our opinion, the recording and disclosure of this information is required by accounting principles generally accepted in the United States of America.

Qualified Opinion

In our opinion, except for the omission of the information described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Indiana Agriculture Education, Inc. d/b/a Indiana Agriculture & Technology School as of June 30, 2020 and 2019, and the changes in its net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

DONOVAN



Indianapolis, Indiana
February 26, 2021

INDIANA AGRICULTURE EDUCATION, INC.
d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL

STATEMENTS OF FINANCIAL POSITION

June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 100,040	\$ 112,629
Accounts receivable	<u>11,341</u>	<u>98</u>
<i>Total current assets</i>	<u>111,381</u>	<u>112,727</u>
PROPERTY AND EQUIPMENT		
Leasehold improvements	22,625	-
Equipment	16,515	16,515
Less: accumulated depreciation	<u>(17,309)</u>	<u>(5,746)</u>
<i>Property and equipment, net</i>	<u>21,831</u>	<u>10,769</u>
OTHER ASSETS		
Restricted cash	20,000	-
Security deposit	<u>5,057</u>	<u>-</u>
<i>Total other assets</i>	<u>25,057</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 158,269</u></u>	<u><u>\$ 123,496</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 39,968	\$ 14,718
LONG-TERM LIABILITIES		
Related party notes payable	<u>-</u>	<u>94,333</u>
<i>Total liabilities</i>	39,968	109,051
NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>118,301</u>	<u>14,445</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 158,269</u></u>	<u><u>\$ 123,496</u></u>

See independent auditors' report and accompanying notes to the financial statements

INDIANA AGRICULTURE EDUCATION, INC.
d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL
STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
REVENUE AND SUPPORT		
State education support	\$ 1,343,393	\$ 802,373
Grant revenue	390,190	279,609
CARES Act funding	67,900	-
Contributions:		
Forgiveness of related party notes payable	-	440,000
Other	1,197	4,250
Student fees	17,528	-
Other income	9,950	2,821
	<u>1,830,158</u>	<u>1,529,053</u>
 <i>Total revenue and support</i>		
EXPENSES		
Program services	1,337,732	653,760
Management and general	388,570	362,560
	<u>1,726,302</u>	<u>1,016,320</u>
 <i>Total expenses</i>		
CHANGE IN NET ASSETS	103,856	512,733
NET ASSETS (DEFICIT), BEGINNING OF YEAR	<u>14,445</u>	<u>(498,288)</u>
NET ASSETS, END OF YEAR	<u>\$ 118,301</u>	<u>\$ 14,445</u>

See independent auditors' report and accompanying notes to the financial statements

**INDIANA AGRICULTURE EDUCATION, INC.
d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL**

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended June 30, 2020 and 2019

	2020		2019			
	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Online curriculum services	\$ 404,901	\$ -	\$ 404,901	\$ 245,491	\$ -	\$ 245,491
Salaries and wages	198,508	150,998	349,506	143,923	109,608	253,531
Occupancy	269,555	-	269,555	125,866	-	125,866
Professional services	213,709	48,858	262,567	59,387	56,439	115,826
Supplies	194,693	25,546	220,239	26,425	9,833	36,258
Advertising	-	53,888	53,888	-	79,517	79,517
Employee benefits	22,683	19,387	42,070	16,608	11,421	28,029
Authorizer oversight fee	-	34,688	34,688	-	20,511	20,511
Travel	-	20,695	20,695	-	15,003	15,003
Interest	-	13,202	13,202	-	47,227	47,227
Depreciation	11,563	-	11,563	4,021	-	4,021
Information technology services	10,836	-	10,836	8,665	-	8,665
Insurance	-	8,984	8,984	-	6,434	6,434
Repairs and maintenance	6,834	-	6,834	7,446	-	7,446
Student transportation	-	-	-	10,232	-	10,232
Staff development	-	-	-	2,850	-	2,850
Other	4,450	12,324	16,774	2,846	6,567	9,413
<i>Total functional expenses</i>	<u>\$ 1,337,732</u>	<u>\$ 388,570</u>	<u>\$ 1,726,302</u>	<u>\$ 653,760</u>	<u>\$ 362,560</u>	<u>\$ 1,016,320</u>

See independent auditors' report and accompanying notes to the financial statements

INDIANA AGRICULTURE EDUCATION, INC.
d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 103,856	\$ 512,733
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	11,563	4,021
Forgiveness of related party notes payable	-	(440,000)
Changes in certain assets and liabilities:		
Accounts receivable	(11,243)	(98)
Prepaid expenses	-	9,766
Security deposit	(5,057)	-
Accounts payable and accrued expenses	<u>25,250</u>	<u>7,121</u>
<i>Net cash provided by operating activities</i>	124,369	93,543
INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(22,625)</u>	<u>-</u>
FINANCING ACTIVITIES		
Proceeds from related party note payable	-	10,500
Principal payments on related party notes payable	<u>(94,333)</u>	<u>-</u>
<i>Net cash provided by (used in) financing activities</i>	(94,333)	10,500
NET CHANGE IN CASH	7,411	104,043
CASH (UNRESTRICTED AND RESTRICTED), BEGINNING OF YEAR	<u>112,629</u>	<u>8,586</u>
CASH (UNRESTRICTED AND RESTRICTED), END OF YEAR	<u>\$ 120,040</u>	<u>\$ 112,629</u>
SUPPLEMENTAL INFORMATION		
Cash paid for interest	\$ 13,202	\$ 47,227

See independent auditors' report and accompanying notes to the financial statements

INDIANA AGRICULTURE EDUCATION, INC.
d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General – Indiana Agriculture Education, Inc. d/b/a Indiana Agriculture & Technology School (the “School”) is a public benefit not-for-profit organization incorporated under the laws of the State of Indiana and operates a public charter school established under Indiana Code 20-24. The School instructs students using a combination of virtual learning technologies and live hands-on experiences in agriculture, conservation, and environmental sciences. The School served approximately 210 and 120 students in 2020 and 2019, respectively, in seventh through twelfth grade. The School is sponsored by Nineveh-Hensley-Jackson United School Corporation. The charter remains in effect until June 30, 2025, and is renewable thereafter by mutual consent.

Financial Statement Presentation - The School reports its financial position and activities according to two classes of net assets:

- net assets without donor restrictions, which include unrestricted resources that are available for the operating objectives of the School; and
- net assets with donor restrictions, which represent resources restricted by donors for specific time or purpose.

As of June 30, 2020 and 2019, the School had only net assets without donor restrictions.

Accounting Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Revenue Recognition – Revenues primarily come from resources provided under the Indiana Charter Schools Act. Under the Act, the School receives an amount per student in relation to the funding received by other public schools in the same geographic area. Funding from the State of Indiana is based on enrollment, and paid in monthly installments in July through June coinciding with the academic school year. Revenue is recognized in the year in which the educational services are rendered.

A portion of the School’s revenue is the product of cost reimbursement grants. Accordingly, the School recognizes revenue under these grants in the amount of costs and expenses at the time they are incurred.

The School has elected to defer implementation of Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU 2014-09 replaces most existing revenue recognition guidance under accounting principles generally accepted in the United States of America and requires disclosure relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. ASU 2014-09 was to take effect for fiscal years beginning after December 15, 2018, but in May 2020, the Financial Accounting Standards Board allowed for a one-year deferral.

INDIANA AGRICULTURE EDUCATION, INC.
d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Property and Equipment – Purchases of assets and expenditures that materially increase value or extend useful lives are capitalized and are included in the accounts at cost. Routine maintenance and repairs and minor replacement costs and equipment purchases are charged to expense as incurred.

Depreciation is provided over the estimated useful lives of the respective assets (3 to 5 years) using the straight-line method.

Restricted Cash – As part of its charter agreement with Nineveh-Hensley-Jackson United School Corporation (Note 8), the School is required to hold in an escrow account funds to pay for legal, wind down of operations, and audit expenses that would be associated with dissolution should it occur. Per the agreement, the School is required to place a minimum of \$30,000 into the account by December 31, 2020. As of June 30, 2020, the restricted fund totaled \$20,000.

Taxes on Income – Indiana Agriculture Education, Inc. has received a determination from the U.S. Treasury Department stating that it qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code as a tax-exempt organization; however, the School would be subject to tax on income unrelated to its tax-exempt purpose. For the years ended June 30, 2020 and 2019, no accounting for federal and state income taxes was required to be included in the accompanying financial statements.

Professional accounting standards require the School to recognize a tax liability only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax liability that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax liability is recorded. The School has examined this issue and has determined that there are no material contingent tax liabilities or questionable tax positions. Tax years after 2016 are open to audit for both federal and state purposes.

Subsequent Events – The School evaluated subsequent events through February 26, 2021, the date these financial statements were available to be issued. Events occurring through that date have been evaluated to determine whether a change in the financial statements or related disclosures would be required.

NOTE 2 - RELATED PARTY TRANSACTIONS

The School received loans from, and executed lease agreements with, companies owned by related parties.

The School received loans from Integrated Investments of Indiana, Inc. and Stakeholder International, LLC (see Note 3), which are owned by John Curtis and Allan Sutherlin, respectively. John Curtis is the former School Board Treasurer, current School Ad Hoc Board Member, and is the current School Treasurer (see Note 5). Allan Sutherlin is the current School Board President. John Curtis and Allan Sutherlin are co-founders of the School.

INDIANA AGRICULTURE EDUCATION, INC.
d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE 2 - RELATED PARTY TRANSACTIONS, Continued

The School leases a farm property and office space from entities owned by John Curtis. The farm is owned by Network Venture Funding, which is partly owned by Integrated Investments of Indiana, Inc. Additionally, the School's office space is owned by Network Capital, LLC, which is owned by John Curtis (see Note 6).

The School's Director of Enrollment/Registrar is the son of a board member.

NOTE 3 - RELATED PARTY NOTES PAYABLE

The related party notes payable consisted of the following as of June 30, 2019. All related party notes payable were paid in full in 2020.

Note payable to Integrated Investments of Indiana, Inc., principal due in full by August 30, 2020. Interest at 15% per annum was paid monthly.	\$ 83,833
Note payable to Stakeholder International, LLC, principal due in full by August 30, 2020. Interest at 15% per annum was paid monthly.	<u>10,500</u>
Long-term portion	<u>\$ 94,333</u>

NOTE 4 - CARES ACT FUNDING

On May 6, 2020, the School was granted a loan from PNC Bank, N.A. in the amount of \$67,900, pursuant to the Paycheck Protection Program under Division A, Title I of the CARES Act. The note matures on May 6, 2022 and bears interest at a rate of 1.00%. Under the terms of the Paycheck Protection Program, the loan funds will be forgiven if they are used for qualifying expenses as described in the CARES Act. The School has evaluated the expenses to which these funds were applied through June 30, 2020, and has determined the loan requirements have been met and the loan will be forgiven in full. The School has elected to recognize the funds as a contribution in accordance with FASB ASC 958-605 by reflecting the full amount as revenue during the year ended June 30, 2020.

NOTE 5 - VALUATION OF IN-KIND SERVICES

The School received in-kind services from John Curtis, who operates as the School's Treasurer and provides accounting services (see Note 2). The School has not calculated an estimated value for these services. Accordingly, no in-kind amounts have been recorded for the years ended June 30, 2020 and 2019.

INDIANA AGRICULTURE EDUCATION, INC.
d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE 6 - LEASES

The School executed leases with two companies owned by related parties (see Note 2) for office space and farm property.

The office space lease provides for monthly rental payments of \$4,769 through August 2020, increasing to \$4,912 through August 2021, and increasing to \$5,057 through August 2022. Total expense under this lease was \$51,342 and \$30,895 for the years ended June 30, 2020 and 2019, respectively.

The farm lease provides for monthly rental payments of \$83 per student based on the number of students reported to the State of Indiana for ADM counts in September and February. The lease is renewable annually and expires on June 30. Total expense under this lease was \$175,000 and \$93,000 for the years ended June 30, 2020 and 2019, respectively.

During the year ended June 30, 2020, the School entered into a month-to-month lease for a mobile classroom. Total expense under this lease was \$26,400 for the year ended June 30, 2020.

Following is a schedule of future minimum lease obligations for the years ending June 30:

2021	\$	76,402
2022		60,391
2023		10,114

NOTE 7 - LIQUIDITY

Under ASU 2016-14, the School is required to disclose the assets it has available at June 30, 2020 and 2019 to meet its cash needs for general expenditures within one year of the date of the statements of financial position. The School's financial assets consisted of unrestricted cash and accounts receivable totaling \$111,381 and \$112,727 at June 30, 2020 and 2019, respectively, all of which are available to meet cash needs for general expenditures within one year.

NOTE 8 - COMMITMENTS

The School operates under a charter granted by Nineveh-Hensley-Jackson United School Corporation. As the sponsoring organization, Nineveh-Hensley-Jackson United School Corporation exercises certain oversight responsibilities. Under this charter, the School has agreed to pay Nineveh-Hensley-Jackson United School Corporation an annual administrative fee equal to 3% of state tuition payments received. Payments under this agreement were \$34,688 and \$20,511 for the years ended June 30, 2020 and 2019, respectively.

The School has contracted with Edgenuity, Inc. to provide online instructional services for its students. The contract is for a three-year term through June 30, 2021. Payments under this agreement were \$343,848 and \$237,200 for the years ended June 30, 2020 and 2019, respectively.

INDIANA AGRICULTURE EDUCATION, INC.
d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE 9 - RISKS AND UNCERTAINTIES

The School provides educational instruction to students residing in Indiana and is subject to the risks of economic and competitive forces at work within this geographic area.

The majority of revenues relate to legislation enacted by the State of Indiana and grants awarded under federal programs. Changes in state or federal legislation could significantly affect the School. Additionally, the School is subject to monitoring and audit by state and federal agencies. Those examinations may result in additional liability to be imposed on the School.

Financial instruments that potentially subject the School to concentrations of credit risk consist principally of receivables from the State of Indiana. In addition, deposits maintained at PNC Bank and are insured up to the FDIC insurance limit.

NOTE 10 - FUNCTIONAL EXPENSE REPORTING

The costs of providing educational activities have been summarized on a functional basis in the statements of activities and change in net assets. Accordingly, certain expenses have been allocated between program services and management and general expenses. Salaries and wages and employee benefits are allocated based on time estimates. All other expenses are directly applied to program services or management and general.

INDIANA AGRICULTURE EDUCATION, INC.
d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL
OTHER REPORT
For the Year Ended June 30, 2020

The report presented herein was prepared in addition to another official report prepared for the School as listed below:

Supplemental Audit Report of Indiana Agriculture Education, Inc.
d/b/a Indiana Agriculture & Technology School

The Supplemental Audit Report contains the results of compliance testing required by the Indiana State Board of Accounts under its *Guidelines for the Audits of Charter Schools Performed by Private Examiners* pertaining to matters addressed in its *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools*.



Appendix E: Current, Supplemental Financial Audit

Finalized: March 17, 2021. SBOA provided
notice of review on this date.

SUPPLEMENTAL AUDIT REPORT
OF
INDIANA AGRICULTURE EDUCATION, INC.
d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL

HAMILTON COUNTY, INDIANA

July 1, 2019 to June 30, 2020



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**INDIANA AGRICULTURE EDUCATION, INC.
d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL
HAMILTON COUNTY, INDIANA**

School Officials

July 1, 2019 to June 30, 2020

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Allan Sutherlin	07/01/19 – 06/30/20
School Treasurer	John Curtis	07/01/19 – 06/30/20
Chief Academic Officer	Keith Marsh	07/01/19 – 06/30/20



Donovan CPAs

The Board of Directors
Indiana Agriculture Education, Inc.

We have audited the financial statements of Indiana Agriculture Education, Inc. d/b/a Indiana Agriculture & Technology School (the "School") as of and for the year ended June 30, 2020, and have issued our report thereon dated February 26, 2021. As part of our audit, we tested the School's compliance with provisions of the *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools* issued by the Indiana State Board of Accounts and related provisions of laws, regulations, contracts and grant agreements. Reported in the Audit Results and Comments are matters where we believe the School was not in compliance with those provisions.

DONOVAN

Indianapolis, Indiana
February 26, 2021

www.cpadonovan.com

Avon | 5151 E. US Hwy 36, Avon, IN 46123 | 317.745.6411

Indianapolis | 9292 N. Meridian Street, Suite 150, Indianapolis, IN 46260 | 317.844.8300

INDIANA AGRICULTURE EDUCATION, INC.
d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL
HAMILTON COUNTY, INDIANA
Audit Results and Comments
July 1, 2019 to June 30, 2020

FORM USAGE

The School did not use standard receipts books prescribed by the Indiana State Board of Accounts.

All charter schools are required by law to use the forms prescribed by the State Board of Accounts; however, if desirable to have a prescribed form modified to conform for computer applications, a letter and copies of the proposed form may be submitted to the State Board of Accounts for approval. No form should be printed and placed into use, other than a prescribed form, without prior approval. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 2 and Part 10)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 2 and Part 10)

**INDIANA AGRICULTURE EDUCATION, INC.
d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL
HAMILTON COUNTY, INDIANA**

Exit Conference

July 1, 2019 to June 30, 2020

The contents of this report were discussed on February 26, 2021 with John Curtis (School Treasurer), Keith Marsh (Chief Academic Officer), and Allan Sutherlin (President of Board of Directors). The Official Response has been made a part of this report and may be found on page 5.



Indiana Agriculture &
Technology School

February 26, 2021

Gentlemen:

This letter will confirm that the (1) one item identified in our draft audit report has been corrected as of today's date.

Specifically, all members of the organization who receive any cash are now required to use a receipts book.

Thank you for your assistance.

Sincerely,
Indiana Agriculture Education, Inc. d/b/a Indiana Agriculture and Technology School

A handwritten signature in black ink that reads "John R. Curtis". The signature is written in a cursive style with a large initial "J".

John R Curtis
Treasurer



Appendix F: State Board of Accounts Audit Review Notice

Finalized: March 17, 2021. SBOA provided notice of review on this date.



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B56478

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

March 17, 2021

Charter School Board
Indiana Agriculture Education, Inc.
d/b/a Indiana Agriculture & Technology School
650 East Carmel Drive
Carmel, IN 46260

We have reviewed the audit report of Indiana Agriculture Education, Inc. d/b/a Indiana Agriculture & Technology School which was opined upon by Donovan CPAs, Independent Public Accountants, for the period July 1, 2019 to June 30, 2020. Per the *Independent Auditors' Report*, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements included in the report present fairly the financial condition of Indiana Agriculture Education, Inc. d/b/a Indiana Agriculture & Technology School as of June 30, 2020 and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the Basis for Qualified Opinion in the audit report.

In our opinion, Donovan CPAs prepared the audit report in accordance with guidelines established by the State Board of Accounts.

In addition to the report presented herein, a Supplemental Audit Report for Indiana Agriculture Education, Inc. d/b/a Indiana Agriculture & Technology School, was prepared in accordance with the guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

Appendix G: State Board of Accounts Supplemental Audit Review Notice

Finalized: March 17, 2021. SBOA provided notice of review on this date.



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B56479

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

March 17, 2021

Charter School Board
Indiana Agriculture Education, Inc.
d/b/a Indiana Agriculture & Technology School
650 East Carmel Drive
Carmel, IN 46260

We have reviewed the Supplemental Audit Report for Indiana Agriculture Education, Inc. d/b/a Indiana Agriculture & Technology School prepared by Donovan CPAs, Independent Public Accountants, for the period July 1, 2019 to June 30, 2020. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the finding in the report. Pages 3 contains one audit result and comment. Management's response is on page 5.

The Supplemental Audit Report and associated audited Financial Statements are filed in our office as a matter of public record.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner